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3 Councilmember Mary M. Cheh

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6 Vincent C. Gray  
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11 Councilmember Anita D. Bonds

Councilmember Jack Evans

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Councilmember Brandon T. Todd

Councilmember Robert C. White Jr.

17 A BILL

21 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

25 To amend the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for  
26 Charitable Purposes in the District of Columbia to authorize sports wagering in the District  
27 of Columbia.

29 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
30 act may be cited as the "Sports Wagering Lottery Amendment Act of 2018".

31 Sec. 2. The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for  
32 Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C.  
33 Official Code § 3-1301 *passim*), is amended as follows:

34 (a) Section 3 is amended as follows:

35 (1) Section 3 (D.C. Official Code § 22-1716) is amended by striking the  
36 phrase "and Monte Carlo night parties," and inserting the phrase "Monte Carlo night parties, and  
37 sports wagering," in its place.

38 (2) Section 3 (D.C. Official Code § 22-1717) is amended to read as follows:

39                   “Nothing in subchapter I of this chapter shall be construed to prohibit the operation  
40 of or participation in lotteries or daily numbers games operated by and for the benefit of the District  
41 of Columbia by the Office of Lottery and Gaming, including bingo, raffles, and Monte Carlo night  
42 parties organized for educational and charitable purposes, regulated by the Office of Lottery and  
43 Gaming, or sports wagering regulated, licensed, or operated by the Office of Lottery and Gaming.”

44                   (3) Section 3(a) (D.C. Official Code § 22-1718(a)) is amended as follows:

45                   (A) Strike the phrase “hereof, and the sale” and insert the  
46 phrase “the sale” in its place.

47                   (B) Strike the phrase “hereof.” and insert the phrase “or the sale, lease, purchase, or  
48 possession of tickets, slips, certificates, or cards for sports wagering excepted and permissible  
49 pursuant to § 22-1717.” in its place.

50                   (b) Section 4 is amended as follows:

51                   (1) Section 4 (D.C. Official Code § 3-1301) is amended as follows:

52                   (A) Subsection (b) is amended by striking the phrase “and Charitable Games”  
53 and inserting the phrase “and Gaming ” in its place.

54                   (B) Subsection (c) is amended as follows:

55                   (i) New paragraphs (1A), (1B), and (1C) are added to read as follows:

56                   “(1A) “Gaming equipment” or “sports wagering equipment” means any  
57 mechanical, electronic or other device, mechanism, or equipment, and related supplies used or  
58 consumed in the operation of sports wagering at a licensed sports wagering facility including, but  
59 not limited to, a self-service terminal installed to accept sports wagers.

60                   “(1B) “Gaming facility” or “sports wagering facility” means the premises  
61 approved under a sports wagering license on which a sports wagering operator may offer sports  
62 wagering. A gaming facility or sports wagering facility may be a building or set of buildings,

63 subsection or subdivision of a single building or structure, or a room or set of rooms within a  
64 building or structure.”.

65 “(1C) “Gross sports wagering revenue” means:

66 “(A) The total of cash or cash equivalents received from sports wagering  
67 minus the total of:

68 “(i) Cash or cash equivalents paid to players as a result of sports  
69 wagering;

70 “(ii) Cash or cash equivalents paid to purchase annuities to fund  
71 prizes payable to players over a period of time as a result of sports wagering; and

72 “(iii) The actual cost paid by the license holder for any personal  
73 property distributed to a player as a result of sports wagering. This subparagraph does not include  
74 travel expenses, food, refreshments, lodging or services.”

75 (ii) Paragraph (2) is amended by striking the phrase “Charitable Games” and  
76 inserting the phrase “Gaming” in its place.

77 (iii) New paragraphs (4), (5), and (6) are added to read as follows:

78 “(4) “Sports wagering” means accepting wagers on sporting events or  
79 portions of sporting events, or on the individual performance statistics of athletes in a sporting event  
80 or combination of sporting events, by any system or method of wagering, including but not limited  
81 to in-person, or over the internet through websites and on mobile devices. The term includes, but is  
82 not limited to, single- game bets, teaser bets, parlays, over-under, moneyline, pools, exchange  
83 wagering, in-game wagering, in-play bets, proposition bets, and straight bets.

84 “(5) “Sports wagering operator” or “operator” means an entity that holds a  
85 sports wagering license and offers sports wagering.

86 “(6) “Wager” or “bet” means the staking or risking by a person of

87 something of value upon an agreement or understanding that the person or another person will  
88 receive something of value in the event of a certain outcome. The terms “wager” or “bet” do not  
89 include:

90 “(A) Any activity governed by the securities laws of the  
91 United States or the District of Columbia;

92 “(B) A contract of indemnity or guarantee;

93 “(iii) A contract for insurance; or

94 “(iv) Participation in any game or contest in which the  
95 participants do not stake or risk anything of value other than personal efforts of the participants in  
96 playing the game or contest or obtaining access to the internet, or points or credits that the sponsor  
97 of the game or contest provides to participants free of charge and that can be used or redeemed only  
98 for participation in games or contests offered by the sponsor.”.

99 (2) Section 4 (D.C. Official Code § 3-1303) is amended by adding a new  
100 subsection (c) to read as follows:

101 “(c) The Chief Financial Officer may require fingerprinting of persons required to  
102 be named in sports wagering license applications.”.

103 (3) Section 4 (D.C. Official Code § 3-1305) is amended striking the phrase “or  
104 Monte Carlo night party” wherever it appears and inserting the phrase “Monte Carlo night party or  
105 sports wagering enterprise” in its place.

106 (4) Section 4(a) (D.C. Official Code § 3-1306(a)) is amended by striking the phrase  
107 “enterprises;” inserting the phrase “enterprises; for auditing the books and records of sports betting  
108 licensees;” in its place.

109 (5) Section 4 (D.C. Official Code § 3-1309) is amended by striking the phrase “and  
110 Monte Carlo Night parties” and inserting the phrase “Monte Carlo Night parties and authorized



111 sports wagering activities,” in its place.

112 (6) Section 4(a) (D.C. Official Code § 3-1312(a)) is amended by striking the phrase  
113 “Lottery and Charitable Games Fund” and inserting the phrase “Lottery, Charitable Games and  
114 Sports Wagering Fund” in its place.

115 (7) Section 4(a) (D.C. Official Code § 3-1316(a)) is amended by striking the word  
116 “Board” wherever it appears and inserting the word “Office” in its place.

117 (8) Section 4 (D.C. Official Code § 3-1319) is amended by striking the phrase “and  
118 daily numbers games.” and inserting the phrase “, daily numbers games and sports wagering  
119 operations.” in its place.

120 (9) New sections 4a , 4b, 4c, 4d, 4e, 4f, 4g, 4h, 4i, 4j, and 4k are added to read as  
121 follows:

122 “4a . Authorization of sports wagering.

123 “The operation of sports wagering and ancillary activities are lawful in the District  
124 of Columbia when conducted in accordance with the provisions of this chapter and rules of the  
125 Office.

126 “4b. Rules and regulations governing conduct of sports wagering.

127 “(a) The Chief Financial Officer shall adopt rules and regulations governing the  
128 conduct of sports wagering to ensure the integrity of the conduct of sports wagering activities and  
129 to protect the economic welfare and interests in fair and honest play of sports wagering participants.  
130 Such rules and regulations shall include, but not be limited to, those governing the acceptance of  
131 wagers on a sports event or a series of sports events; maximum wagers which may be accepted by a  
132 sports wagering operator from any one patron on any one sports event; type of wagering tickets  
133 which may be used; method of issuing tickets; method of accounting to be used by sports wagering  
134 operators; requirements concerning how fees and taxes are to be remitted, including whether fees

135 and taxes must be remitted electronically; methods of age verification; the posting of house rules;  
136 player exclusion; the facilities to be used by sports wagering operators; the types of records which  
137 shall be kept; use of credit and checks by patrons; type of system for wagering; protections for  
138 patrons placing wagers; and promotion of social responsibility and responsible gaming.

139           “(b) The Office shall establish internal control standards and approve  
140 internal control standards proposed by licensed sports wagering operators for administration of  
141 sports wagering operations, wagering equipment and systems, or other items used to conduct sports  
142 wagering, as well as maintenance of financial records and other required records.

143           “(c) The Office shall have the authority to impose a fine of not more than  
144 \$50,000 for any violation of this chapter or the Office’s rules and regulations. All fines imposed  
145 pursuant to this section shall be paid over to the District of Columbia Treasurer, who shall place  
146 such fines in the General Fund of the District of Columbia as general purpose revenue funds of the  
147 District of Columbia.

148           “(d) The Office shall have the authority to revoke sports wagering licenses for  
149 any violation of this chapter or the Office’s rules and regulations.

150           “(e) The Office shall have the authority to suspend sports wagering licenses for a  
151 period not to exceed 365 days for any violation of this chapter or the Office’s rules and  
152 regulations.

153           “(f) Any person, firm, partnership, association, organization, or corporation who  
154 has been fined, or whose application has been denied, or whose license has been revoked, or  
155 suspended pursuant to this section shall have a right to a hearing before the Office and, in the event  
156 of its affirmation of such fine, denial, revocation or suspension, the right to appeal such fine, denial,  
157 revocation or suspension to the Superior Court of the District of Columbia.”

158           “(g) Consumer protections:

(1) Sports wagering operators shall verify that a person placing a wager is of the legal minimum age for placing such a wager.

(2) Operators shall allow individuals to restrict themselves from placing wagers with the operator, including limits on the time spent betting and amounts wagered, and take reasonable steps to prevent those individuals from placing such wagers, including upon request of such individual to share the request with the Office for the sole purpose of disseminating the request to other operators.

(3) Operators shall employ commercially reasonable methods to:

(A) Prohibit the operator, directors, officers, owners, and employees of the operator, and any relative living in the same household as such persons, from placing bets with the operator;

(B) Prohibit athletes, coaches, referees, team owners, employees of a sports governing body or its member teams, and player and referee union personnel from wagering on any sporting event overseen by their sport's governing body. In determining which persons are excluded from placing wagers under this subsection, operators shall use publicly available information and any lists of such persons that the sports governing body may provide to the Office;

(C) Prohibit any individual with access to non-public confidential information held by the operator from placing wagers with the operator;

(D) Prohibit persons from placing wagers as agents or proxies for others."

(h) The Office shall require proof of clean hands and good standing as required by §§ 47-2861 and 29-102.08 or the certified business enterprises' authorization that the Department may confirm clean hands and good standing with relevant District agencies. The Office may also require a certification that the Citywide Clean Hands Database indicates that the

183 proposed licensee is current with its District taxes.

184 “4c. Sports wagering licenses.

185 “(a) Except for sports wagering activities conducted directly by the Office, no  
186 person may engage in any activity in connection with sports wagering in the District of Columbia  
187 unless all necessary licenses have been obtained in accordance with this chapter and rules of the  
188 Office.

189 “(b) The Office may issue four types of sports wagering licenses: Operator;  
190 supplier; management services provider; and occupational.

191 “(c) The Office may not grant a license until it determines that each person who  
192 has control of the applicant meets all qualifications for licensure. The following persons are  
193 considered to have control of an applicant:

194 “(1) Each person associated with a corporate applicant, including any corporate  
195 holding company, parent company, or subsidiary company of the applicant who has the ability to  
196 control the activities of the corporate applicant or elect a majority of the board of directors of that  
197 corporation; this does not include any bank or other licensed lending institution which holds a  
198 mortgage or other lien acquired in the ordinary course of business;

199 “(2) Each person associated with a non-corporate applicant who directly or  
200 indirectly holds a beneficial or proprietary interest in the applicant’s business operation, or who the  
201 commission otherwise determines has the ability to control the applicant; and

202 “(3) Key personnel of an applicant, including any executive, employee, or agent,  
203 having the power to exercise significant influence over decisions concerning any part of the  
204 applicant’s business operation.

205 “(d) All applicants for any license or renewal license issued under this chapter  
206 shall submit an application to the Office in the form the Office requires and submit fingerprints for



207 a national criminal records check by the Metropolitan Police Department and the Federal Bureau of  
208 Investigation. The fingerprints shall be furnished by all persons required to be named in the  
209 application and shall be accompanied by a signed authorization for the release of information by the  
210 Metropolitan Police Department and the Federal Bureau of Investigation. The Office may require  
211 additional background checks on licensees when they apply for license renewals. Any applicant  
212 convicted of any disqualifying offense shall not be licensed. License application information that  
213 contains proprietary information, trade secrets, financial information, or personal information about  
214 any person collected by the Office pursuant to this chapter shall not be a public record and may not  
215 be made available for inspection by the public under subchapter II of Chapter 5 of Title 2 or any  
216 other law.

217           “(e) Each sports wagering licensee, licensed supplier, or a licensed management  
218 services provider shall display the District of Columbia license conspicuously in its place of  
219 business or have the license available for inspection by any employee of the Office or any law  
220 enforcement agency.

221           “(f) Each holder of an occupational license shall carry the license and have some  
222 indicia of licensure prominently displayed on his or her person when present in a sports wagering  
223 facility at all times, in accordance with the rules of the Office.

224           “(g) Each person licensed under this chapter shall give the Office written notice  
225 within 10 days of any change to any information provided in the licensee’s application for a  
226 license or renewal.

227           “(h) No Office employee may be an applicant for any license issued under this  
228 chapter.

229           “4d. Sports wagering operators.

230           “(a) An individual or entity may offer sports wagering in the District only if it

231 holds a sports wagering operator license issued by the Office.

232                   “(b) The Office shall prescribe the form of the application for sports wagering  
233 operator licenses, which shall require:

234                   “(1) the name of the applicant;

235                   “(2) the mailing address and, if a corporation, the name of the state under the  
236 laws of which it is incorporated, the location of its principal place of business and the names and  
237 addresses of its directors;

238                   “(3) a report of the applicant's financial activities;

239                   “(4) evidence of financial stability, which may include bank references, business  
240 and personal income and disbursement schedules, tax returns and other reports filed by  
241 government agencies and business and personal accounting check records and ledgers;

242                   “(5) information and documentation to demonstrate that the applicant has  
243 sufficient business ability and experience to create the likelihood of establishing and maintaining a  
244 successful sports wagering business;

245                   “(6) a description of the proposed internal controls and security systems to be  
246 used in conducting sports wagering or processing sports wagering transactions;

247                   “(7) the number of employees to be employed at the proposed sports wagering  
248 facility or operation;

249                   “(8) the estimated tax revenue to be generated by the sports wagering facility or  
250 operation;

251                   “(9) the location of the proposed sports wagering facility or operation;

252                   “(10) any other information required by rule adopted by the Office.

253                   “(c) The Chief Financial Officer shall take into consideration the following  
254 factors in determining whether to approve an application:

255           “(1)   Whether the sports wagering proposed to be conducted by the applicant will  
256   have a positive impact through increased revenues on the District of Columbia and its residents.

257           “(2)   Whether the applicant possesses adequate funds or has secured adequate  
258   financing to commence and maintain sports wagering operations.

259           “(3)   Whether the applicant has the financial stability, integrity, and responsibility  
260   to conduct sports wagering and a sports wagering operation.

261           “(4)   Whether the applicant has sufficient business ability and experience to  
262   create and maintain a successful sports wagering operation.

263           “(5)   Whether the applicant's proposed internal and external security and  
264   proposed surveillance measures are adequate.

265           “(6)   Whether the applicant has satisfied the sports wagering license application  
266   requirements and provided all other information requested by the Office.

267           “(d)   The initial license term under this section shall be five years. The initial  
268   license and application fee under this section shall be \$50,000. The license and application fee  
269   shall be submitted to the Office at the time of license application. The license may be renewed for  
270   five-year periods upon approval of a renewal application and payment of a renewal fee. The  
271   amount of the renewal fee shall be \$50,000. The renewal application shall be approved as long as  
272   the sports wagering operator continues to meet all qualification requirements.

273           “(e)   A sports wagering operator license authorizes the operation of sports  
274   wagering at locations approved by the Office and through any internet, mobile application or other  
275   digital platforms approved by the Office. All sports wagering, including sports wagering  
276   conducted through internet, mobile applications or digital platforms, shall be initiated and received  
277   or otherwise made exclusively within the physical confines of the approved sports wagering  
278   facility. A sports wagering operator shall demonstrate that its sports operation will be licensed in

279 accordance with this chapter and all other applicable federal and District laws and meet any other  
280 qualifications specified in rules adopted by the Office.

281           “(f) A sports wagering operator may not enter into any management services  
282 contract that would permit any person other than the licensee to operate sports wagering unless the  
283 management service contract: Is with a person licensed under this chapter to provide management  
284 services; is in writing; and has been approved by the Office. No material changes to a management  
285 services contract are effective until such changes have been approved by the Office. The duties  
286 and responsibilities of a management services provider under a management services contract may  
287 not be assigned, delegated, subcontracted, or transferred to a third party without the prior approval  
288 of the Office. Third parties must be licensed as a management services provider under this article  
289 before providing services.

290           “(g) The Chief Financial Officer shall require that sports wagering operators be  
291 bonded in such amounts and in such manner as determined by the Chief Financial Officer. The Chief  
292 Financial Officer shall condition the issuance of a license upon the written agreement of the sports  
293 wagering operator to indemnify and to save harmless the District of Columbia against any and all  
294 actions, claims, and demands of whatever kind or nature which the District of Columbia may incur  
295 by reason of or in consequence of issuing a sports wagering operator license to the licensee.

296           “(h) Upon application for a license and annually thereafter, a sports wagering  
297 operator shall submit to the commission an annual audit of the financial transactions and condition  
298 of the licensee’s total operations prepared by a certified public accountant in accordance with  
299 generally accepted accounting principles and applicable federal and District laws.

300           “(i) A sports wagering operator shall employ a monitoring system utilizing  
301 software to identify irregularities in volume or odds swings which could signal suspicious  
302 activities that should require further investigation which shall be immediately reported and



303 investigated by the Office. System requirements and specifications shall be developed according to  
304 industry standards and implemented by the Office as part of the minimum internal control  
305 standards;

306           “(k) A sports wagering operator shall promptly report to the Office any facts or  
307 circumstances related to the operation of a sports wagering licensee which constitute a violation of  
308 District or federal law and immediately report any suspicious betting over a threshold set by the  
309 operator that has been approved by the Office to the Office and the appropriate District or federal  
310 authorities;

311           “(l) A sports wagering operator shall conduct all sports wagering activities and  
312 functions in a manner which does not pose a threat to the public health, safety, or welfare of the  
313 citizens of the District and does not adversely affect the security or integrity of the sports wagering  
314 operation;

315           “(m) A sports wagering operator shall provide a secure location for the  
316 placement, operation, and play of sports wagering equipment;

317           “(n) A sports wagering operator shall prevent any person from tampering with or  
318 interfering with the operation of any sports wagering or sports wagering equipment;

319           “(o) A sports wagering operator shall ensure that sports wagering conducted at a  
320 sports wagering facility is within the sight and control of designated employees of the licensee and  
321 such wagering at the facility or otherwise available by the licensee is conducted under continuous  
322 observation by security equipment in conformity with specifications and requirements of the  
323 Office;

324           “(p) A sports wagering operator shall ensure that sports wagering occurs only in  
325 the specific locations within designated sports wagering areas approved by the Office or using an  
326 Office approved mobile application or other digital platform that utilizes communications

327 technology to accept wagers originating within this state, or on a sports wagering device. Sports  
328 wagering shall only be relocated or offered in additional authorized manners in accordance with  
329 the rules of the Office;

330           “(q) A sports wagering operator shall maintain sufficient cash within the  
331 boundaries of the District and other supplies to conduct sports wagering at all times; and

332           “(r) A sports wagering operator shall maintain daily records showing the gross  
333 sports wagering receipts and adjusted gross sports wagering receipts of the licensee from District  
334 of Columbia sports wagering and shall timely file with the commission any additional reports  
335 required by rule or by other provisions of this code.”

336           “4e. Sports wagering management service providers.

337           “(a) A licensed management service provider may contract with an entity to  
338 conduct that operation in accordance with the regulations of the Office. That entity shall obtain a  
339 license as a management services provider prior to the execution of any such contract, and such  
340 license shall be issued pursuant to the provisions of this chapter and the rules of the Office.

341           “(b) Each applicant for a management services provider license shall meet all  
342 requirements for licensure and pay a nonrefundable license and application fee of \$10,000. The  
343 Office may adopt rules establishing additional requirements for an authorized management  
344 services provider. The Office may accept licensing by another jurisdiction, that it specifically  
345 determines to have similar licensing requirements, as evidence the applicant meets authorized  
346 management services provider licensing requirements.

347           “(c) Management services provider licenses shall be renewed annually. Renewal  
348 of a management services provider license will be granted to any renewal applicant who has  
349 continued to comply with all applicable statutory and regulatory requirements, upon submission of  
350 a renewal application and payment of a \$2,000 renewal fee.

351 “(d) Any entity or individual who shares in revenue, including any affiliate  
352 operating under a revenue share agreement, shall be licensed under this section.”

353 “4f. Sports wagering suppliers.

354 “(a) The Office may issue a supplier license to a person to sell or lease sports  
355 wagering equipment, systems, or other gaming items necessary to conduct sports wagering, and  
356 offer services related to such equipment or other gaming items to a sports wagering operator.

357 “(b) The Office may adopt rules establishing additional requirements for a sports  
358 wagering supplier and any system or other equipment utilized for wagering. The Office may  
359 accept licensing by another jurisdiction, that it specifically determines to have similar licensing  
360 requirements, as evidence the applicant meets sports wagering supplier licensing requirements.

361 “(c) An applicant for a supplier license shall demonstrate that the equipment,  
362 system, or services that the applicant plans to offer to the sports wagering licensee conform to  
363 standards established by the Office and applicable District law. The Office may accept approval by  
364 another jurisdiction, that it specifically determines have similar equipment standards, as evidence  
365 the applicant meets the standards established by the Office and applicable District law.

366 “(d) Applicants shall pay to the Office a nonrefundable license and application  
367 fee in the amount of \$10,000. After the initial one-year term, the Office shall renew supplier  
368 licenses annually thereafter. Renewal of a supplier license will be granted to any renewal applicant  
369 who has continued to comply with all applicable statutory and regulatory requirements, upon  
370 submission of a renewal application and payment of a \$2,000 renewal fee.

371 “(e) A licensed sports wagering supplier shall submit to the Office a list of all  
372 sports wagering equipment and services sold, delivered to, or offered to a sports wagering operator  
373 in the District, as required by the Office. All of such equipment must be tested and approved by an  
374 independent testing laboratory approved by the Office. A sports wagering operator may continue



375 to use supplies acquired from a licensed sports wagering supplier, even if a supplier's license  
376 expires or is otherwise cancelled, unless the Office finds a defect in the supplies."

377 "4g. Sports wagering occupational licenses.

378 "(a) All persons employed to be engaged in sports wagering-related  
379 activities, or otherwise conducting or operating sports wagering, shall be licensed by the Office  
380 and maintain a valid occupational license at all times.

381 "(b) An occupational license permits the licensee to be employed in the capacity  
382 designated by the Office while the license is still active. The Office may establish, by rule, job  
383 classifications with different requirements to recognize the extent to which a particular job has the  
384 ability to impact the proper operation of sports wagering.

385 "(c) Applicants shall submit any required application forms established by the  
386 Office and pay a nonrefundable license and application fee of \$100. The fee may be paid on behalf  
387 of an applicant by the employer. Each licensed employee shall pay to the commission an annual  
388 license fee of \$100 by September 30 of each year. The fee may be paid on behalf of the licensed  
389 employee by the employer. In addition to a renewal fee, each licensed employee shall annually  
390 submit a renewal application on the form required by the Office."

391 "4h. District of Columbia operated sports wagering.

392 "(a) Sports wagering may be conducted and operated by the District of  
393 Columbia through the Office.

394 "(b) The Office may conduct sports wagering by any method of wagering  
395 approved by the Office including, but not limited to, internet, mobile applications and other digital  
396 platforms that utilize communications technology to accept wagers that are initiated and received  
397 or otherwise made exclusively within the District of Columbia. The methods of wagering  
398 approved by the Office shall include age and location verification requirements reasonably



399 designed to block access to minors and persons located out of the District of Columbia and shall  
400 include appropriate data security standards to prevent unauthorized access by any person whose  
401 age and current location has not been verified.

402           “(c) The Chief Financial Officer may license, as sports wagering retailers,  
403 licensed lottery and daily numbers games agents.

404           “(1) The Chief Financial Officer shall take into consideration the following  
405 factors in determining whether to approve a sports wagering retailer application: The financial  
406 responsibility of the person and the person’s business or activity; the accessibility of the place of  
407 business or activity to the public; the sufficiency of existing licenses to serve the public  
408 convenience; and the volume of expected sports wagering sales.

409           “(2) The initial license term under this section shall be two years. The initial  
410 license fee under this section shall be \$5,000. The license fee shall be submitted to the Office at  
411 the time of license application.

412           “(3) The license may be renewed for two-year periods upon payment of a \$5,000  
413 renewal fee, as long as the sports wagering retailer continues to meet all qualification  
414 requirements. The renewal fee shall be submitted to the Office at the time of license application.

415           “(4) The Chief Financial Officer may authorize compensation to such sports  
416 wagering retailer in such manner and amounts and subject to such limitations as it may determine  
417 are necessary.

418           “(5) The Chief Financial Officer shall require that a sports wagering retailer be  
419 bonded in such amounts and in such manner as determined by the Chief Financial Officer. The  
420 Chief Financial Officer shall condition the issuance of a license upon the written agreement of the  
421 licensee to indemnify and to save harmless the District of Columbia against any and all actions,  
422 claims, and demands of whatever kind or nature which the District of Columbia may incur by

423 reason of or in consequence of issuing such license.

424 “(6) No sports wagers shall be accepted by other than a licensee or the licensee’s  
425 employee. Any person convicted of violating this section shall be subject to a fine not to exceed  
426 \$1,000 or imprisonment not to exceed 6 months, or both.”

427 “4i. License prohibitions.

428 “(a) The Office shall not grant any license, pursuant to the provisions of this  
429 chapter, if evidence satisfactory to the Office exists that the applicant:

430 “(1) Has knowingly made a false statement of a material fact to the Office;

431 “(2) has been suspended from operating a gambling game, gaming device, or  
432 gaming operation, or had a license revoked by any governmental authority responsible for  
433 regulation of gaming activities;

434 “(3) has been convicted of a felony who either has not received a pardon or has  
435 not been released from parole or probation for at least 5 years;

436 “(4) has been convicted of a gambling-related offense, a theft or fraud offense;  
437 or

438 “(5) is a company or individual who has been directly employed by any illegal or  
439 offshore book that serviced the United States, or otherwise accepted black market wagers from  
440 individuals located in the United States.

441 “(b) The Office may deny a license to any applicant, or suspend or revoke a  
442 license:

443 “(1) If the applicant or licensee has not demonstrated to the satisfaction of the  
444 Office financial responsibility sufficient to adequately meet the requirements of the proposed  
445 enterprise;

446 “(2) if the applicant or licensee is not the true owner of the business or is not the

447 sole owner and has not disclosed the existence or identity of other persons who have an ownership  
448 interest in the business; or

449 “(3) if the applicant or licensee is a corporation which sells more than five  
450 percent of a licensee’s voting stock, or more than five percent of the voting stock of a corporation  
451 which controls the licensee, or sells a licensee’s assets, other than those bought and sold in the  
452 ordinary course of business, or any interest in the assets, to any person not already determined by  
453 the Office to have met the qualifications of a licensee under this article.”

454 “4j. Taxation of Sports Wagering.

455 “(a) On or before the 20th calendar day of each month, each sports wagering  
456 operator in the District shall:

457 “(1) File a return with the Chief Financial Officer indicating the amount of its  
458 gross sports wagering revenue for the preceding calendar month;

459 “(2) For all operators, pay to the District of Columbia Treasurer 10% of the gross  
460 sports wagering revenue from the preceding calendar month.

461 “(b) All funds owed to the District under this section shall be held in trust within  
462 the boundaries of the District for the District by the sports wagering operator until the funds are  
463 paid to the District of Columbia Treasurer. A sports wagering operator shall establish a separate  
464 bank account into which gross sports wagering revenue shall be deposited and maintained until  
465 such time as the funds are paid to the District of Columbia Treasurer.

466 “(c) The increased revenue realized from the tax imposed under subsection (a) of  
467 this section shall be directed as follows: 50% of the revenue shall be used to fund the Birth-to-  
468 Three for All DC Amendment Act of 2018 and the remainder to further fund the Commission on  
469 the Arts and Humanities. Any amounts in excess of what is needed for the foregoing shall be  
470 deposited into the General Fund of the District of Columbia as general purpose revenue.”

471           Sec. 4. Fiscal impact statement.

472           The Council adopts the fiscal impact statement in the committee report as the fiscal impact  
473 statement required by section 4a of the General Legislative Procedures Act of 1975, approved  
474 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

475           Sec. 5. Effective date.

476           This act shall take effect following approval by the Mayor (or in the event of veto by the  
477 Mayor, action by the Council to override the veto), a 60-day period of congressional review as  
478 provided in section 602(c)(2) of the District of Columbia Home Rule Act, approved December 24,  
479 1973 (87 Stat. 788; D.C. Official Code § 1-206.02(c)(2)) and its publication in the District of  
480 Columbia Register.